

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ALLEN COUNTY WATER)	
DISTRICT OF ALLEN COUNTY, KENTUCKY, FOR)	
ORDER APPROVING CONSTRUCTION FINANCING,)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE AND)	89-246
NECESSITY, AND INCREASED RATES)	

O R D E R

On September 5, 1989, Allen County Water District ("Allen Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$800,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 96 additional customers. Project funding includes a \$257,000 loan from the Farmers Home Administration ("FmHA"), a \$517,000 grant from FmHA, and \$26,000 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

Allen Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. The minimum filing

requirements were met in this case on September 5, 1989. The Commission has no discretionary authority to modify or reject any portion of this application.

IT IS THEREFORE ORDERED that:

1. Allen Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Allen Water's proposed plan of financing with FmHA is accepted.

3. Allen Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

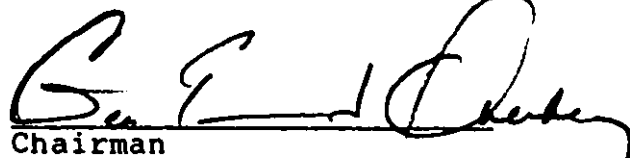
5. Allen Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

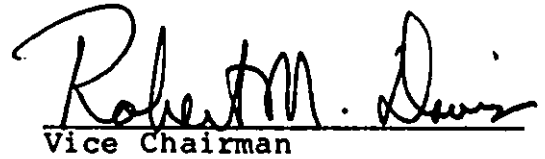
6. Allen Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Allen Water shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 5th day of October, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-246 DATED 10/05/89

The following rates and charges are prescribed for the customers in the area served by Allen County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

First 2,000 gallons	\$13.45 (Minimum Bill)
Next 3,000 gallons	4.85 per 1,000 gallons
Next 5,000 gallons	3.80 per 1,000 gallons
Next 60,000 gallons	3.30 per 1,000 gallons
Over 70,000 gallons	2.85 per 1,000 gallons